THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

June 11, 1949

WHO'S RESPONSIBLE?

AN EDITORIAL

The Question Of Recognition

Charles J. Canning

Why Opium Suppression Failed

Pao Yue

Benefits Of Collective Farming

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ST. JOHN'S TEMPEST

AN EDITORIAL

VOLUME 114 JMP200 NUMBER 2

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Not A Needle

To The Editor:

Shanghai, China's nerve-center of industry and trade, has suddenly fallen into the hands of the Communists. Everything seems to be greatly changed, though the city's physical appearance is much the same.

I should like to tell you of an incident which occurred in my lane on the afternoon of "Liberation Day." Several liberation soldiers were bringing kettles to a water shop. They wanted water but they started off by saying that they had no cash but needed the water urgently. The shop consented to their wishes and gave them the water, saying that this was a small demand compared to what they had suffered from soldiers in the past.

When the soldiers left, they said that they would like to pay later and proceeded to take down the house number of the shop. Soon I was informed that the shop had received 20 catties of fuel wood as payment for the water. The strict discipline of the Peoples Liberation Army is almost beyond our imagination. They have the full support of the people and this support is due to the policy issued recently in a manifesto by Mao Tze-tung and Chu Teh, "Do not take even a single needle or piece of thread from the people."

WONG SZE-LIANG.

Shanghai
June 6, 1949

Ewo Shareholders

To The Editor:

At the Ewo Brewery meeting on May 5, 1948, I stated that all assets were undervalued and that there had been a heavy writing off of assets. I requested that all assets be revalued by proper experts and that an interim dividend be declared.

As the average Shanghai shareholder is apathetic, there were only about a dozen shareholders present, including four directors and some Ewo employees. Thus, I had no support when I suggested that since the shareholders had not had any return on their investment for eight years, there was no reason to increase the directors' fees to HK$14,000 instead of the prewar figure of CNC$11,000.

As I am deaf I could not hear what the only speaker, Mr. Howell, said and was therefore unable to answer his comments upon my proposal. Later I was informed that Mr. Howell had praised the hard work of the directors and had stated that he felt the shareholders would not be in agreement with my proposal to retain the old directors' fee of CNC$11,000.

I have written several letters to the company setting forth my contention that the management should refrain from what I consider an unreasonable undervaluation of assets and an unreasonable writing off of assets. According to my calculations at least a 10 to 15 percent dividend could have been paid.

For example, the fleet of trucks and motorcars, as I had the pleasure to ascer-

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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tain, are all in excellent order, are in full use and at present have a value of at least US$20,000 to US$25,000. In the balance sheet they are written down to HK$7,729.

At the meeting the management stated that the trucks were bought in 1941, which is not entirely correct as five trucks were bought in 1947. The valuators, it was stated, were the chartered accountants. My reply was that the chartered accountants are not valuators and the business of auditors is only to check the accounts. I later called on the company's chartered accountant, asking him whether he is a valuator of properties and assets of the Ewo Beer and Hongkew Wharf. He stated that valuation of assets is not the business of auditors. However, at the meeting the management stated that in consultation with the auditor it was decided advisable to write down drastically the value of our fleet of trucks and cars.

What has happened to the hard working trustees, the directors, whose duties are to look after the interests of the investors? They have neglected them by allowing the management to write down the value of everything. The shareholders got nothing, but in consideration of the successful year, the fees of the directors were increased!

I herewith request the shareholders to give me their support and I will ask the proper public authorities for an investigation. I propose that such a resolution be proposed three days before the next meeting.

L. SOYKA

Shanghai
June 8, 1949

Soochow's Liberation

To The Editor:

By mid-day on April 23 the city of Soochow was in a chaotic state. Chung Chen Road was filled with rickshaws and pedicabs carrying the baggage and possessions of people who had fled from Nanking. Silver peddlars were more active than ever before blocking the pavements of the chief thoroughfares. The price of silver and gold dropped because of the cash shortage. By the morning of April 24 the Nationalist troops were withdrawing southwards and the defense operations were left to the laborers and businessmen who had formed a self-preservation corps. In our school the 60 students in the English department where I am were divided into groups of four persons (including girls), each group standing guard for an hour on a rotating basis.

Another 24 hours passed and still no news about the coming of the Communist troops. During this interim period everyone of us were worried over looting. Still we felt that we should go on with our assignments. Shops began to open; schools resumed class and once again the major streets swarmed with people.

At noon the next day two battalions of Nationalist troops entered the city and exacted 500 ounces of gold for their "relief;" they told the local frightened businessmen that if they did not give them this gold, they would remain in Soochow, and the businessmen were so anxious to have them leave that they agreed to their demands. Fear of looting made us close the school gate at 7:00 p.m. and behind the gates we spent our time preparing our welcome for the Peoples' Liberation Army by swinging the Yangko and singing songs.

During the night of April 26 the cannons roared overhead and machine gun fire was heard. We thought that the Liberation Army of the People must be approaching Soochow. The next morning streets were filled with the local population—old and young—and every-

one turned out eager to greet the Peoples Liberation Army and welcome them. It was not until an hour later that we heard a shower of clapping from the self-preservation corps on guard and saw two soldiers, stout and strong, armed to the teeth and dressed in ragged uniforms striding along in a very dignified fashion.

That morning we held an emergency meeting to decide how we should greet the Peoples Liberation Army. At our meeting we passed resolutions planning demonstrations, contributed money for flowers, for the posting of slogans and leaflets, prepared cartoons, and made preparations for street lectures.

Soochow is liberated and liberated forever from the suppression and bondage of the corrupt Kuomintang. Spring is here and we look forward to a bright future.

HSU SHIH CHEN

Soochow
April 29, 1949.

Nonrecognition

To The Editor:

Of lighter note in the news of the day is the story of a doctor who was called to administer to several patients yesterday in the IRO camp set aside for the Russian White Guard refugees (if, indeed, they can be called refugees after having lived for several tens of years in China).

When the doctor drove up to the large iron gates, he was refused admittance by four White Russian guards, who said that they did not recognize the new government and had decided not to open the gates for anyone. After some 20 minutes of heated argument in which the doctor repeatedly named the patients, he was finally admitted.

In general, it looks like the IRO has spent thousands of dollars to evacuate all except a few hundred of a group who wish to be confined to some "safe place" where they will be cut off from the rest of the world. It is too bad that the IRO must spend so much of the United Nation's money in moving such people around from place to place. Considering today's rate of development of the political maturity among the world's peoples, it looks as though the IRO has taken on a life-time job and that no satisfactory asylum will be permanently established for such fanatics.

AN OBSERVER.

Shanghai
May 30, 1949.

Twinkle, Twinkle

To The Editor:

Twingle, twinkle, bright Red Star,
How I realize what you are!
You have built a new and youthful state
Out of China so old and so great.

Feudal traitors have all run away,
Colonizers are told not to stay.
New Democracy is our sole guide,
Peace and freedom go on side by side.

There is nothing like a curtain here
Called "bamboo" as busybodies sneer.
Good care's taken of us people now:
Each and every farmer has his plough.

Miracles can't be worked overnight,
But success and progress are in sight.
China, freed, will set all Asia free:
Full of glee the universe will be.

There's to be one world, and only one,
Milk and honey'll flow under the sun.
Twinkle, twinkle, bright Red Star.
How I realize what you are!

MAN IN THE STREET.

Shanghai
June 3, 1949

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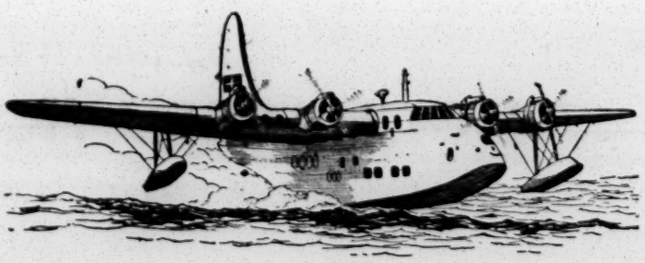

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Vol. 114 Shanghai, Saturday, June 11, 1949 No. 2

English-Language Schools

QUITE a stir has been caused in certain foreign circles by the expressed desire of the St. John's University student body to abandon English as the language of instruction in this American-founded school.

At a recent meeting of the student body, it was proposed that English be retained as a regular subject, but that Chinese be used as the language of instruction in other subjects. Considering that the university is in China, that its students are Chinese, and that most of its graduates may be expected to live and die in this country, this seems a very reasonable and sensible proposal.

We fail to see what is to be gained by requiring all instruction to be in English, except that such a system probably produces a bunch of graduates who are more proficient in English than the average Chinese university graduate. This, undoubtedly, is a worthwhile accomplishment, but we imagine that there may be certain disadvantages.

We have heard, on more than one occasion, that in recent years St. John's students have not been known for their linguistic ability, either in their native Chinese language or in their adopted foreign tongue. One foreign professor, who himself was an accomplished Chinese scholar, complained to us some time ago that his students knew neither English nor Chinese well enough to get the maximum benefit from his courses. It was his view that the concentration on English came at a crucial point in the students' lives and caused them to relax their study of Chinese, especially Mandarin and the written language. At the same time, he complained, the University's English standards were so low that many students really did not understand the lectures.

This may merely have been the experience or view of one teacher and may not be an accurate reflection of the situation. However, if there is any grain of truth in the charge that the study of English interferes with the students' continuation of their Chinese studies, then the system certainly should be altered. It would not be a catastrophe if the students were graduated without being letter perfect in English, but it would certainly be one if they left school not entirely proficient in their own language.

There is no denying that English is one of the most important languages used in the world today. It is the one language with which a person may travel about the world most easily. In Asia, for example, it has become the second language of most countries and thereby provides the one tongue in which representatives of China, Japan, the Philippines, India and other countries can communicate with each other.

No sensible person would deny that it is advisable for those Chinese having the opportunity to learn English to do so. However, it certainly is not essential for the vast majority of Chinese. The study of English as a subject, we believe, is advisable for all Chinese universities.

Those who object to the replacing of English by Chinese at St. John's have pointed out that much of the modern knowledge which China desires is best found abroad and that English is probably the most suitable foreign language for those students intending to continue their studies in other lands. This is quite true, but it seems to be lacking in connection with the subject under discussion. Certainly not all St. John's graduates, upon receiving their diplomas here, immediately set sail for Britain or America for further study. Relatively few actually go abroad. This is true of all Chinese universities, although it is possible that a higher percentage of St. John's graduates do study abroad. This, however, is partially due to the fact that this university has been the rich man's school and its graduates could better afford trips abroad.

Some of those criticizing the plan to drop English as the language of instruction apparently have failed to understand that a fundamental change has taken place in this country. The whole business of sending Chinese "students" to America, for example, has been a scandalous racket for the past few years. Businessmen, relatives and friends of bureaucrats, tourists, and a whole raft of people desirous of escaping the uncertainties and unpleasantries of life in this country have managed to slip away upon the pretext of pursuing their "studies" abroad during the postwar years. It is most unlikely that such a system will continue.

It is almost certain that from now on the number of students going abroad will be greatly reduced. Only bonafide students will be able to secure permission and, most likely, only those wishing to study some technical subject, instruction in which is limited here, will be granted passports and foreign exchange. China cannot afford to have several thousand semi-students consuming precious foreign exchange while learning the fine points of Roman history or some other subject of little practical use in the reconstruction of this country.

It has been claimed that in the future China will need engineers, scientists, and technicians more than ever and that much of this specialized information is more easily found in its English original than in any other language. It has also been stated that many of the technical terms can be translated into Chinese only imperfectly or with

great effort which renders them clumsy and subject to error. These statements are quite correct, as far as they go. However, they seem to be scant reason for maintaining that all instruction in a university should therefore be in English.

For many years the majority of China's practical engineering workers have come from Chao Tung University, which, as its name implies, has to do with communications matters. Chao Tung graduates run China's railways and the machinery in many of the country's factories, and they seem able to do so without benefit of spending four years in a school where classes are conducted in English.

We do not recall any major university in America in days past which gave all instruction in German because it was recognized that Germany was the most advanced country in virtually all branches of science. In the days preceding the first world war, all American engineering and medical graduates who wished or were able to continue their studies in the seats of learning in Germany studied German while they were in school and apparently managed to make out all right when they went abroad.

China's chemists, biologists and other scientifically trained men of the future will of necessity be forced to pass along their ideas to less well trained men and women, many of whom will never have been near a university, regardless of what language is spoken in such institutions. These college trained men and women will not be able to talk to those people in English, but will have to make the translation into Chinese, regardless of the difficulty of turning "atomic energy" or other such technical expressions into their native tongue.

In some instances, of course, they may engage in word borrowing, as is the case in the west, by merely adding a foreign word to the Chinese language. In fact, examples of this may be seen in China already, where foreign names for machines or for more abstract terms are frequently used by technicians as time savers in their speech. In any event, the idea, apparently held in certain circles here, that all future bridges in China must be constructed only by men speaking flawless English is absurd. If there is no convenient Chinese word for "girder" or "span," we imagine that the Chinese workmen will soon become accustomed to calling such things by their foreign names.

The original idea of giving all instruction at St. John's in English may have had a concrete purpose behind it, but there seems to be no compelling reason today. Fifty years ago, when the treaty ports were at the height of their glory and the foreigner was a first class citizen, ranking before the native-born, the foreign taipans naturally felt a need of English-speaking Chinese subordinates. St. John's undoubtedly performed a very useful function in turning out graduates who could get immediate employment, either by working for foreign firms or by serving as intermediatories between Chinese firms and the foreigners.

However, things have changed a bit since then. China is rapidly being returned to the control of the Chinese people and, after slightly more than 100 years of semi-colonial status, the country stands on the threshold of full possession of its sovereignty. It is only natural that vestiges —whether real or fancied—of the unpleasant past should be removed. English-language street signs, telephone operators who answer with "hello," and many other symbols of the foreigner's previous position of dominance will undoubtedly feel the axe shortly. If the students of St. John's believe that this is the time to jettison English as the language of general instruction in their university, we see no good reason why it shouldn't be done.

The statement, heard in some objecting circles, to the effect that if the students are so anxious to dispense with the language from abroad, they might also like to dispense with the endowment money from abroad is too ridiculous to need much comment.

It is the remark of the disgruntled foreigner, who, with exaggerated self-importance, feels personally slighted because a group of Chinese students have had the temerity to suggest that they prefer their own language to his. It is the remark of the die-hard who, accustomed to finding his way about Shanghai's streets through the benefit of the English sub-titles on the street signs, will view their demise as a personal affront to himself, failing to consider that for every foreigner in Shanghai there are 1,000 Chinese. It is also the remark of the imperialist who enjoyed and benefited by the old semi-colonial status quo and who doesn't like the looks of what he sees in the future. If, by holding aloft his money bags and demanding that things be done the way he likes, he thinks he can delay the disappearance of the old life, he can be counted upon to attempt it.

The Profit System

(Sweat of the brow division)

There of course still are people who maintain their anti-Communist views and people who look askance at the Communists.....One businessman told me, "We now are hesitant of earning big money because we are not sure if the money we earn with our sweat would remain ours in the future."

—*United Press dispatch from Nanking.*

Whose sweat ?

Who's Responsible?

WITH the resumption of normal activities in Shanghai, the old problem of traffic accidents arises again. This is particularly true since there seems to be a growing number of military and other official vehicles on the streets which adds to the crowding and confusion.

Judging from local press coverage of the subject, there have been only two major accidents recently. In the first instance a truck of the Woosung-Shanghai Garrison headquarters struck a small boy. The truck immediately stopped. First aid was administered to the boy and he was then rushed to a hospital. The Garrison announced that it was investigating to fix responsibility for the accident but that in the meantime

it was prepared to pay all medical and hospital expenses.

The second accident occurred when a military truck ran over and killed a college student. The Garrison apologized, offered to pay damages and sentenced the driver to death, pointing out that he had exceeded the speed limit of 15 miles per hour. Various appeals for leniency have been made on behalf of the driver.

While this attitude may not seem particularly surprising in view of the general bending-over-backward attitude of the new authorities, it is certainly a far cry from the old days when all types of official vehicles were above the law. The attitude of the garrison in assuming financial responsibility for the first accident even before it discovered whether the truck driver or the injured boy was at fault is indeed interesting.

The only other traffic accident of recent date to receive much publicity was one occurring in Nanking about the middle of last month when an automobile belonging to two Frenchmen ran over a child. According to the *New China News Agency*, investigation by the Nanking Public Security Department disclosed that the driver was at fault. The incident, it was said, was settled when the Frenchmen agreed to pay all medical expenses and to apologize to the family of the injured child.

This would appear to be a very reasonable settlement, since one might presume that drivers causing accidents through their own negligence might easily be considered liable for public prosecution. However, one sentence in the story gave us pause for thought. It read: "In Liberated China there is a general rule that the drivers of motor vehicles are responsible for accidents which occur to pedestrians and cyclists."

Under certain conditions this "general rule" might be a very reasonable presumption. In China's rural areas—along country roads and through village streets—motor vehicles are a rarity. Actually, the peasants and villagers are so unused to them that they frequently are totally unable to calculate the speed with which trucks and buses move. Thus, they do not realize the danger of being struck by such vehicles.

Many a visitor to the country, for example, has reported seeing instances where villagers or farmers, riding for the first time on a truck, simply jump off when they reach their destination without waiting for it to stop. They have not learned to comprehend the speed of such vehicles, having been accustomed throughout their lives to nothing more speedy than a buffalo or a bicycle.

In these rural areas the vast majority of the road traffic is composed of pedestrians, ox or man drawn carts, bicycles, and other types of slow vehicles. Since the road is made for the people who use it, the majority obviously has the right of way and the occasional motor vehicle coming along should accomodate itself to the habits and practices already in force.

However, there are areas in China where the motor vehicle is relatively common and becoming more so every day. In Shanghai, for example, cars, buses, trucks, motorcycles, etc. are probably more generally used for transportation than non-motorized types. This is close to being true even on the main roads surrounding the town where nearly as many trucks are seen as are man drawn carts.

Under such conditions, we believe, motor vehicles have as much right of way as do pedicabs or carts or pedestrians. Certainly this will be so in the future when the latter types of travel have nearly disappeared. Under such conditions, it would seem hardly fair to regulate traffic in accordance with laws suitable for nearly extinct methods of transportation.

Of course it is reasonable to presume that for many years the average Chinese will not be traffic "conscious," and drivers will have to be on the lookout for unwary pedestrians. This certainly is true in America and Europe where even today many pedestrians are killed each year because they fail to look before stepping into the street.

However, as motor vehicles become more commonplace, it will not be fair to continue to presume that "in general" the driver of the car is to blame for all traffic accidents. A more reasonable and realistic system would be one based on mutual responsibility under which all parties have certain responsibilities and each is governed by certain regulations. Theoretically, under such conditions, there would be no accidents if everyone behaved as he was supposed to. Thus, in the event of an accident, the fault should lie with the person who violated the regulations.

Things have progressed to such an extent in Shanghai, we believe, where it might be feasible to begin thinking along such lines already. A great many accidents in this city are the result of direct traffic violations by one or more persons.

It is only necessary to stand on one of the busier downtown street intersections to realize that the vast majority of local accidents must occur because of lack of proper control of all types of traffic. It is, of course, difficult to organize Shanghai's traffic since there is so much of it and since pedestrians, automobile drivers, and pedicab men all use the streets as if they belonged to them personally, with virtually no regard for anyone else.

The bus driver who honks his horn irritably and refuses to slow down upon approaching an intersection apparently presumes that it is his street and that all who get in his way are interlopers who have no business there. The same is true of the pedicab driver who, spotting a prospective fare on the opposite sidewalk, suddenly, without warning and without so much as a casual glance to the right or left, veers sharply across the street as if he and his vehicle were its sole occupants. The conduct of the pedestrian who blandly steps into the middle of the street without a single glance up or down exhibits the same type of intensive concentration upon his own desires and an almost unbelievable lack of interest in the legitimate rights of others.

Changes cannot be made overnight, but

serious attempts at strict enforcement of the existing traffic laws, coupled with intensive publicity campaigns to make all the citizenry traffic conscious would help greatly. The responsibility for preventing accidents is, in our view, a mutual one, resting equally upon the shoulders of all who use the streets, be they pedestrians, bicycle riders, or truck drivers.

Permanent Imprisonment

A BILL which apparently would provide permanent imprisonment—under certain conditions—for undesirable aliens residing in the United States is now before the Judiciary Sub-Committee of the House of Representatives. The measure results from the case of Gerhart Eisler, who recently jumped bail and fled the United States as a stowaway on a Polish ship. Eisler, a German, was alleged to have been an important member of the American Communist Party and the United States Government had preferred charges against him, claiming that he had made untrue statements when applying for a visa.

Representative Sam Hobbs, the sponsor of this bill, declared that the Eisler case should be a lesson to the American people. He said that present laws do not provide for imprisonment of undesirable aliens. Upon occasion, he stated, the US desires to deport an alien but can find no country willing to accept him and thus is forced to allow him to roam freely about the United States. This, he said, is an unsatisfactory situation since these undesirable aliens might use this freedom to engage in subversive activities against the United States.

In order to change all this, Hobbs proposes that Congress enact a law enabling the authorities to imprison all undesirable aliens until it becomes possible to deport them. If, as Hobbs charges, most countries flatly refuse to accept such aliens, it would then appear that these people might be faced with permanent imprisonment in the United States. Hobbs estimates that there are now anywhere from 3,000 to 5,000 such undesirable aliens living at liberty in America.

While it is altogether reasonable to presume that the United States, as well as other nations, might wish to imprison or otherwise neutralize habitual criminals of foreign nationality who could not be deported, it is rather interesting to note that Representative Hobbs believes that there are possibly as many as 5,000 aliens who are "undesirable." Certainly, not all of these people can have criminal records. The more likely answer, we imagine, is that Hobbs considers them *politically* undesirable. If this is the case, the Hobbs bill is certainly a far cry from the ideas of the American founding fathers who were so obsessed with the idea of political freedom that they wrote whole sections into the laws of the country guaranteeing individuals the right to hold political beliefs of their own choice. At the very least, proposals such as this may make people living abroad wonder what American officials are talking about when they proclaim loudly that America is the land of the free and that political suppression is synonymous with communism.

25 Years Ago in *The China Weekly Review*

June 7, 1924.

Protest Foreign Encroachment

The *North China Daily News* carried the following story concerning the underlying motives of the Good Roads Movement in its issue of May 31:

"The Paoshan District Assembly has addressed petitions to the Military Governor of Shanghai and to the Civil Governor of this province in connection with the famous road round the Settlement, to prevent further encroachment by foreigners. The petitions state that as a result of receipt of letters from the National Road Construction Association, all members of the Paoshan Assembly agree that the Shanghai Municipal Council is always encroaching on Chinese territory and constructing roads. The Council, when they want to make these roads, say that as communications are poor it is necessary to open new roads, but afterwards they impose water and electricity taxes, later collecting taxes and posting policemen on duty in Chinese territory. Therefore (says the petition) our sovereign rights are lost and even if we try to get them back, by redemption or otherwise, it is difficult, because the foreigners once having them refuse to return them. Now the Road Construction Association advocates the road round the Settlement and the improvement of our own municipal affairs. That is a good as well as an important scheme. When we first heard that the foreigners were wanting a new extension of the Settlement, we telegraphed opposing the proposal so that they would not encroach on our rights. Now at the time of the rendition of the Mixed Court, the Legations demand an extension, and we must stop them by building a road round the settlement...."

* * *

Wellington Koo Receives Bomb

A teacher of the Peking Normal school was arrested in Hankow last week on suspicion in connection with the bomb sent Minister of Foreign Affairs Wellington Koo in Peking three weeks ago.

10 Years Ago In *The China Weekly Review*

June 10, 1939.

European Refugees Reach Shanghai

Shanghai's Jewish refugee population touched the 10,500 mark last Sunday when the Lloyd Triestino liner *Conte Verde* brought an additional 465 of these unfortunates here. The new arrivals were met by representatives of the local Refugee Committee and housed in the various camps which the committee has been instrumental in establishing during the past few months. By the end of this year, according to present indications, the local Jewish refugee population will be increased to fully 20,000.

* * *

Propaganda In Japan

Propaganda is a well-developed art in Japan. Organized propaganda has indeed played a great part in the formation of the Japanese mind, as we know it today. As a single and outstanding example may be cited the position of the Japanese Emperor. Practically every Japanese knows of him; great numbers worship him as a living God. But there are men and women still alive today who in their youth did not know he existed.... It is organized education, both through the officially promoted Shinto Church and through the Government schools, that has wholly altered the situation....

—*"Myths and Contradictions of Japanese Propaganda"* by Guzo Hakwaisha.

THE QUESTION OF RECOGNITION

CHARLES J. CANNING

NOW that the Chinese Communists are well on their way to nation-wide victory, it is generally believed that it will be only a couple of months before a new central government is formed under the leadership of the Communists. When that day comes, the foreign powers will be confronted with the delicate question of whether or when to recognize the new Communist regime in China.

During the past several months, particularly since the flight of the Kuomintang Government to Canton and the fall of Nanking into Communist hands, there has been much interesting speculation and discussion on the question of recognition. The continued presence of foreign diplomatic missions in the capital, despite the request of the Kuomintang Government that they evacuate to Canton, is politically and diplomatically significant. It lends color to persistent rumors that the foreign powers are prepared to "get along" with the Chinese Communists. As a matter of fact, the attitude of the major foreign powers toward the China situation was apparent as early as last November, when the consular officials of the United States, Britain and France in Mukden were ordered by their respective governments to stay put under Communist occupation. This action, it was explained at the time, was designed to protect "the lives and property" of their respective nationals in Manchuria. The most interesting thing about the matter is that the number of American, British and French nationals in the various provinces in the Northeast was insignificant. In the case of the United States, there were more consular officials in Mukden than private American civilians.

* * *

Trial Balloon

IT is therefore easy to see that the continued stay of foreign consulates in Mukden was intended to serve some more important purpose —to sound out the attitude of the Chinese Communists toward foreign countries and to establish, if possible, some kind of contact with them. In order to avoid possible embarrassment (because the National Government of the Kuomintang was and still is the "legitimate government" in China recognized by the foreign powers concerned), both the United States and Britain took great pains to explain that the continued stay in Mukden of their respective consulates under Communist rule had nothing whatever to do with the question of recognizing a new Communist regime in China. The functions of consulates, it was pointed out, are different from those of embassies and they do not handle "political affairs."

This explanation is correct from the viewpoint of legal technicalities, but it is unconvincing because it deliberately ignores the political aspect of the problem. The decision of the major powers to order their consulates to hang on in Communist held territory indicated that they were thinking of dealing with the Chinese Communists "on a local level."

The precedent created in Mukden was quickly followed by foreign consulates in Peiping and Tientsin. It is understood that American and British consular officials in these two cities have made attempts to contact the local Communist authorities, but so far their efforts in this respect have not yet met with success.

* * *

Hang On

AFTER the fall of Nanking, the question of recognition assumed additional significance. With the exception of the Soviet ambassador, the ambassadors and ministers of all the major foreign powers simply took no notice of the request of the Kuomintang Government for evacuation and preferred to stay where they were. Ambassadors and ministers are vastly different from consular officials, being accredited as they are to the central government of the country in which they are stationed. Their functions are distinctly political in character. Therefore, their continued presence in Nanking under Communist occupation means a good deal.

Latest reports from Canton indicate that the Soviet ambassador has already left for Moscow for "consultations." At present, there is not a single foreign ambassador residing in Canton, where the refugee government of the Kuomintang is nominally located. It would appear that things are moving fairly fast.

True, neither the United States nor Britain likes the Chinese Communists. On the contrary, both of them are violently opposed to communism. Since VJ Day, the United States has been giving economic and military aid to the Kuomintang Government to fight the Communists. But now, when it has become clear that the Communists are going to kick out the Kuomintang Government and take over the whole country despite American aid to the Kuomintang, the foreign powers are face to face with a momentous choice: either to continue fighting the Chinese Communists openly, which under present conditions would inevitably result in their having to pull out from this country, lock, stock and barrel; or to try to "get along" with the Communists in order to hang on as long as possible in China and salvage what is left. Self-interest and diplomacy are undoubtedly in favor of the latter course. It is up to the foreign powers to make the best of a bad bargain.

Such being the case, it surprised no one when the spokesman for the British Foreign Office told the press on April 20, a few days after the fall of Nanking, that Britain planned to establish "friendly relations" with the Chinese Communist Government. He further explained that Britain has precedents for having business relations with both sides in a civil war. Immediately after the release of this statement, a top official of the United States Department of State hurriedly came out with a similar statement, in which he said that the United States expected to develop "working contacts" with the Chinese Communist officials. He repeated the stale story that "this does not mean recognition or approval of the Red regime in China."

* * *

US Position

SO far as the question of recognition is concerned, the United States, of all the major foreign powers, is at the greatest disadvantage. The reason is quite obvious. Ever since VJ Day, Uncle Sam has backed the Kuomintang in the latter's war with the Communists. In effect, it was the continued US aid and the prospects of more such aid to come that made the Kuomintang uncompromising in its negotiations with the Communists. It therefore stands to reason that the Chinese Communists are resentful and hostile toward the United States.

But the other powers, particularly Britain, take a different view and they are eager to do business with the Chinese Communists at the first opportunity. Trade between North China and Hongkong has been satisfactory during recent months. British banks in Tientsin are doing business as usual, while American banks there have shut up shop and cleaned out. British business interests in China, according to press reports, have exerted considerable pressure upon their Foreign Office, strongly requesting that Britain play ball with the Chinese Communists.

Meanwhile, it is persistently rumored that London and Paris are considering recognizing the Chinese Communist regime earlier than the United States. The *Associated Press* reported June 1 from Nanking:

"Well-informed diplomatic quarters said that the interests of most leading countries will favor recognition of the Chinese Communist regime shortly after a national government is set up. Diplomatic circles put Britain, France, India and Russia in this group. . . . Western powers are in contact on the recognition question. Chances are good that to a large extent they will work together. But earlier action by France and the Commonwealth is likely if the United States

delays too long after an eligible government is formed that will assume the normal obligations. . ."

As regards the reasons why France and Britain favor earlier action on the question of recognition, the same *AP* story continued:

"France's prime concern is Indo-China. Chinese Communist armies will soon reach the Indo-China border. French officials need a Chinese government to protest to if either troops or war materiel begin going across the border to aid the Communist-led Vietnamese nationalists. Britain is eager to do business with Communist China. The Crown colony of Hongkong is dependent for prosperity upon trade with the China mainland. British shipping from Hongkong is already going into North China ports and British businessmen are ahead in the scramble for trade."

* * *

Powers Divided

IT has long been an open secret that Britain wants to steal a march upon the United States on the question of recognition in order to gain some diplomatic and business advantages over the United States. Earlier, in the middle of May, the *United Press*, in a story issued from Washington, disclosed:

"Informed diplomatic sources here saw some possibility of differences between the British and Americans when it finally comes to the question of when or whether to recognize a Communist government in China as the de facto regime for all that country. Britain and the United States have been working in close agreement so far regarding the necessity for recognizing and working with Communist officials on a local level in areas which the Reds now occupy. However, there appeared some question whether this agreement would continue when it came to considering the overall matters. The United States Secretary of State Dean Acheson told a Senate appropriations sub-committee in a secret session that the United States would not recognize a Communist government as long as the Nationalist Government still retained a foothold on Chinese soil. While British officials here (Washington) are not fully informed of their government's final attitude on this matter, the best informed opinion is that Britain might grant the Communists recognition somewhat earlier than the United States. These informed sources believed the British, in considering which government to recognize, might be guided more by the principle of which had become the 'paramount power' rather than whether the Nationalist Government still existed in some form in some area of China."

* * *

United Front

THE possibility of Britain's recognizing the Chinese Communists earlier than the United States is highly annoying and disturbing to Washington. Such a move would place the United States in a position of embarrassment and disadvantage. In order to prevent any such move on the part of the other major foreign powers, the United States, ten days after the fall of Nanking, sent identical notes to Britain, France, Holland, Belgium, Australia, India, Pakistan, New Zealand, Ceylon and South Africa, proposing talks to weld a united diplomatic front toward the Communist Government in China.

Important suggestions in the American note, according to well-informed sources, include: 1) No nation should recognize a new regime in China without consulting the other nations; 2) The powers concerned should "seek to bind China to maintain an open door policy for the west." It is stressed that many of the big western powers, notably the United States, Britain and France, have big commercial and economic interests in China.

During the past month, top American Government leaders, including Secretary of State Dean Acheson, are reported to have made several important policy decisions in relation to China and the Far East generally. These decisions stress that the United States should end its "wait-and-see" policy toward events in China and that the United States and all like minded nations should begin "resolving their differences." It was for the purpose of composing their differences that the United States had asked the above-named countries to initiate talks to build up a united front in dealing with the Chinese Communists.

* * *

Bitter Pill

TO recognize the Chinese Communists will be a bitter pill for the United States to swallow. After long years of political, financial and military aid to the Kuomintang Government, the United States has finally discovered that it has bet on a wrong horse. The impending downfall of the Kuomintang Government also indicates a complete bankruptcy of American policy in China. The widespread Red witchhunt and the anti-Communist hysteria whipped up by the American Government authorities have combined to make it extremely difficult for the United States Government to execute a right-about-face on China policy without losing face and prestige both at home and abroad. This is the reason why the United States needs time to prepare the highly unpleasant but unavoidable back out. In this connection, the *Associated Press* reported:

"Negotiation for recognition in the case of some countries may become a protracted affair, particularly in the re-negotiation on existing treaties. The Communists have announced their intention to repudiate a number of them, including the American commercial agreement. The internal political question, particularly in the United States, of recognizing another Communist regime may cause further delay."

But things in this country are moving so fast that it is impossible to delay action on the recognition question for any length of time. Herein lies a terrible dilemma and headache for Washington.

But for the United States, the question of recognition is not one of ideological or sentimental considerations. It is a "must," if the United States does not want to pull out of China. Preservation of American interests in China demands that the United States accord recognition to the Chinese Communists. It simply cannot be helped. An *AP* story, dated May 30 from Washington throws interesting light on this point:

"Officials believe it is only a question of time until the Communists take over the whole huge territory of China. At some future point, perhaps several months off but probably soon, the Communists are expected to proclaim the formation of a new Chinese government. This will raise the question of American recognition. While no final decision has been made, all indications are that this (American) Government will eventually recognize the new regime and establish diplomatic relations with it. Already, American diplomats are in contact with local Communist authorities in key cities like Tientsin, Peiping and Nanking."

In Nanking, Dr. J. Leighton Stuart, the American ambassador to China, is said to have begun working with the foreign affairs bureau of the Communist Government. In order to maintain a "united front" in dealing with the Communists, Ambassador Stuart is "acting for several of the big powers." The *Associated Press* disclosed:

"The British ambassador, Sir Ralph Stevenson, and his staff were said to be in close touch with Stuart. The part Stevenson is playing, in

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establishing day-to-day working arrangements with the Communists, is believed restricted by the hang-over which both the British and the Chinese Communists feel as a result of the Yangtze river affair when Red shore guns pounded units of the Royal Navy."

Of course, this isn't the whole story. The most important thing about the matter is that the United States is doing its best to prevent other major foreign powers from dealing separately with the Chinese Communists.

In order to cover up the complete bankruptcy of its China policy and white wash its anti-Communist attitude so as to pave the way for eventual recognition of the Chinese Communist Government, the United States Government is reported in the press to be taking the line that "the United States' real friendship is for the Chinese people, irrespective of who rules them." However, ECA supplies to Communist China have been suspended and diverted, although approximately two-thirds of China's total population is now living under Communist rule. One wonders what kind of people the United States Government has in mind when it talks about "real friendship" for the Chinese people.

* * *

No Hurry

THE Chinese Communists have nothing to worry about so far as the question of recognition goes. Now that they have become the de facto government in China, they can afford to wait to see how the situation will shape up. It is up to the foreign powers concerned to make the first move, because they simply cannot do anything in China in the absence of formal diplomatic relations with the Communist Government.

Despite their determined hostility to imperialism, the Chinese Communists have never for a moment ruled out the possibility or desirability of establishing relations with foreign countries, irrespective of their political and economic systems. When the Sino-Japanese war was still in progress, Communist leader Mao Tze-tung, in his "On Coalition Government," pointed out that the Chinese Communists were willing to establish relations with all the countries in the world on the basis of equality and mutual respect for national independence. Mao wrote on this point: "The basic principle of the foreign policy of the Chinese Communist Party consists in establishing and strengthening relations with all the countries in the world and in solving all war-time and post-war problems of common interest on the basis of eradicating once and for all the Japanese invader, preserving world peace, respecting each other's national independence and equality and working together toward improving the friendship between nations."

Last November, the Central Executive Committee of the Chinese Communist Party issued a public statement on foreign policy. In addition to warning the foreign powers against aiding the Kuomintang Government and meddling in China's internal affairs, the statement specifically said:

"The Chinese Communists are willing to establish equal friendly relations with all foreign countries, including the United States of America, and protect the rightful interests of all nationals. But the integrity of China's territory and sovereignty must be preserved."

The latest Communist statement on foreign policy was made by General Li Tao, spokesman for the People's Liberation Army. He laid down the concrete terms on which the Chinese Communists are prepared to consider establishing relations with foreign countries. These terms are: severing relations with the Kuomintang Government and withdrawing foreign armed forces, warships and military aircraft from China. It was stressed that relations with foreign countries should be established "on the basis of equality, mutual benefit and mutual respect for each other's independence and integrity of territorial sovereignty."

The Chinese Communists, despite their Marxist idealism, are well known for their cold-headed realism, their astute statesmanship, and their adroit diplomacy. They have their own long-range objectives, but at the same time they know perfectly well that they must proceed step by step to attain these objectives. They are ready to do business with foreign countries on condition that the latter respect China's sovereignty and surrender their special rights and privileges.

* * *

Special Rights

THEREFORE, any attempt to use the question of recognition as a bargaining weapon to ask the Chinese Communists to respect such special rights will be doomed to failure. In this connection it is interesting to read an *AP* story dated May 25 from Paris, in which it was disclosed that the United States had suggested to other countries that in negotiating with the Chinese Communists about recognition the foreign powers should seek to bind China to maintain an "open door" policy for the West. It further disclosed: "According to information from sources in touch with high British and French officials, London and Paris are thinking of asking for specific guarantees from the Chinese Reds before they establish relations with them. France may ask for a prior definition of the border between China and Indo-China. Britain would like a pledge that the Communists will respect their sovereignty in Hongkong and will renew their leases on several settlements on the Chinese mainland facing Hongkong. These leases expire soon."

It would thus appear that in spite of the drastic change that has come over China, the major foreign powers are still thinking in terms of special rights in dealing with the new government in China.

Prospects Bright

PERSONALLY, I think the prospects for cooperation between the new China and foreign countries are very bright. Indeed they are likely to be much brighter than at any previous period in Chinese history. The reasons are quite obvious. The immediate plans of the Chinese Communists for national reconstruction center on restoring and expanding industrial and agricultural production. If such plans are to be successfully implemented, a huge amount of foreign vital materials, machinery and technical know-how is needed. Past experience shows the Chinese Communists mean business. They are different from the Kuomintang authorities who did not mean what they said and whose "plans" and "programs" remained on paper only. Once an over-all national reconstruction program gets started throughout the country, there will be much room for foreigners to move about. Already in North China and in Manchuria, initial plans for large-scale reconstruction are being carried out.

In addition, the steady improvement of the living standard of the people under Communist rule will lead to a corresponding expansion in their purchasing power and in the general Chinese markets. This expansion holds out great hope for foreign, as well as Chinese, businessmen and manufacturers.

Certain misconceptions, however, must be corrected. First, to say that new China needs foreign machinery, capital and technical skill to help with its postwar reconstruction does not necessarily mean that it will be utterly impossible to go ahead with such reconstruction if foreign aid is not forthcoming. Nor does it mean that such aid must come from the United States or Britain. The Chinese Communists have become what they are today without any outside help. On the contrary, in their long years of struggle for power, they have been invariably boycotted and opposed by foreign powers who threw their support behind the Kuomintang. It is perfectly clear that foreign assistance will not be the determining factor in deciding the success or failure of the national reconstruction plan of the Chinese Communists. If foreign aid is available, so much the better, because it will facilitate and advance the fulfillment of these plans. Lack of foreign assistance can only retard the progress of these plans. As international relations stand today, Communist China can count on a certain amount of aid from Soviet Russia and the other new democracies even if the United States and other capitalist countries should refuse to play ball. American refusal in this respect will do more harm than good. It will be a plain case of cutting off the nose to spite the face.

However, there will be certain limitations to future trade relations between China and foreign countries, which might be regarded as unpalatable or even objectional by some for-

eign businessmen. China under Communist rule is sure to follow a planned economy. China's foreign trade will be placed under strict government supervision and control in order to meet the requirements of the national reconstruction program, to balance her international payments and to boost native industry. Under this plan, the imports of vital materials and machinery will be given priority over consumer's goods, while certain types of luxury articles will probably be banned altogether. In short, China's foreign trade in the future will be made to serve the interests of national reconstruction instead of letting private traders do what they like on a purely money making basis. The sooner the foreign businessmen understand this, the better they will be in adapting themselves to the changed situation.

* * *

Wishful Thinking

Unfortunately, some people still fail to look the new situation in China squarely in the face. Some countries are still thinking of carrying on trade with China to serve political purposes. According to the *Associated Press*, the State Department of the United States Government is working out a policy of "restricted trade" with Communist China on the basis of the following major provisions:

1) What the Chinese buy from the United States will be in cash or goods. No American aid supplies go to Communist areas.

2) Goods which are now barred from trade with Soviet Russia and its allies in Europe because they might have military value will not go to Communist China, either.

The most absurd part of this policy is the reported intention on the part of the American Government to expand Sino-Japanese trade in order to make Japan "self-sufficient." The *Associated Press* reported May 30 from Washington:

"Outside of China, American interests in the Far East will be directly affected by the Chinese Communist triumph in at least two important areas—Japan and the restless lands of southeast Asia. Japan and China are mutually dependent on trade with each other. Officials say that if the American occupation policy of making Japan more self-sufficient—and less of a burden on the American taxpayer—is to be successfully carried out, trade between the two countries is essential.

"Whether anticipated close Chinese-Japanese trade relations will increase Communist prestige in Japan is a question that has prompted considerable study by officials here. The prevailing view is that so long as the United States aids the Japanese economy and encourages development of trade with other areas in addition to China, the political balance in Japan will not be greatly altered."

Political stupidity and wishful thinking couldn't go any further than to assume that a Communist China would work with the United States in building up Japan.

Twilight Of Vice

Why Opium Suppression Failed

Pao Yue

THE opium suppression campaign undertaken by the Kuomintang Government after the end of the war was conducted with very great energy and determination. It was widely publicized and made to appear as one of the very few, if not the only, one real accomplishment achieved by that now unlamented regime.

Indeed, there were registrations of addicts carried on in the various cities and licenses issued permitting legalized smoking for three months, after which inadequately short period the license holders were supposed to break their habit completely and were placed in a police hospital for a medical examination. If it was found that they still had some traces of the drug in their blood or urine, they were charged with criminal offense, tried in the courts and sentenced to a jail sentence.

The most thorough searches and raids were carried on in the numerous dens and private houses and large amounts of opium were seized and confiscated. Later, the accumulated quantities of the drug, together with suspicious paraphernalia such as bamboo pipes, lamps, wooden trays, etc., were publicly burned in great bonfires, with appropriate fanfare, speeches by KMT officials, and photographs. Finally, some of the "worst offenders", in one instance a young couple of 23 and 29 found smoking and entertaining friends, were executed.

Moreover, a special "anti-Opium law" was promulgated by the Legislative Yuan to be in effect for two years, within which period the full suppression was expected to be accomplished, as an "extra-ordinary measure," since it was somehow contradictory to the principles of the notorious "Constitution." Under this law, certain dates were to be known as Opium-Suppression Anniversary Days.

* * *

DESPITE all these measures, however, the opium suppression campaign failed in the most miserable way, and instead of any beneficent results the consequences were only of the most negative and infamous character.

Why were they such a failure, when the KMT authorities used their full power and organization against this weakest and simplest of problems, punishing and executing meek, sick and unresisting offenders? The answer to this question is important and deserves the attention of the authorities as well as the people in general.

The main reasons for the failure of the Nationalist authorities in their opium-suppression campaigns were two-fold: Corruption and the inadequacy of the over-drastic, high-handed and brutally rough suppressive actions. Because of corruption, the rich addicts were not only able to carry on their smoking unmolested, but were even assisted and protected by the competent authorities, some of whom even indulged in smoking themselves, being immune from any danger of apprehension. Only the poor, who in their utter misery were caught in cheap, dirty dens, smoking their pipes as a means of self-oblivion, were the real victims. Some of them suffered three, four and more convictions, including one well known former cinema star who was too poor to pay the extortion money for her prompt release.

But equally important was the harshness and ignorance revealed by KMT authorities in treating this very serious and complex problem. The fact that the opium smoking habit was a form of combined physical and psychic sickness was deliberately ignored. Yet, here and only here lies the key to this problem.

* * *

IT was naive, at least, to expect that harsh measures alone would suffice to bring to an end what has been going on for a hundred and more years. Neither the threat of jail nor execution could frighten a man so poor and deprived that even death itself might seem to him a quick deliverance from his cruel fate. Nor could they deter the rich, who could always use their money to bribe officials and procure more of the drug (some got it regularly by air consignments) and who always felt secure from real prosecution.

The actual reason was the rottenness of the whole corrupt system under KMT rule. All this should now be changed. Poppy growing must be curtailed and eventually entirely stopped, while the long-time addicts, especially the middle-aged and elderly whose habit is too deeply rooted in their undernourished bodies, should be treated with compassion as the sick persons that they really are, rather than as outright criminals as has been the case in the past.

Then and only then can the evil habit be effectively and permanently exterminated, as men and women will seek liberation from their opium affliction, inspired by the humane compassion and justice of the new revolutionary democratic government which liberated them from the insatiably greedy and corrupt KMT oppression.

Benefits Of Collective Farming

R. D. Merrick

The author of this article is an agronomist who spent 12 years working with collective farms in Russia—Editor.

COLLECTIVIZATION of agriculture in the Soviet Union began in 1930 and by 1933 had been extended to all areas where it was considered practicable. In other countries, however, it has been a subject of controversy, although the idea of large scale group endeavor as a means of increasing agricultural production has by no means been confined to the limits of the USSR.

The increase in production brought about by collectivization has been due primarily to the mechanization of agriculture made possible by better human cooperation backed by a government that has converted a strictly agricultural country into an industrial-agrarian country able to furnish cheap and good machines for the purpose. No other farmers in the world, except those who own large tracts of land in the western part of the United States, enjoy as wide mechanization, division of labor and industrial methods as the Soviet collective farmer. With the elimination of fence lines, hedge lines, ditches and plain cussedness separating small farms from one another, large efficient machines can work on the level, fertile Russian steppes under maximum conditions.

No middleman profits from processing the farmers' grain or other products—such work is done either on the collective farm by the farmers themselves with their own machines or machines belonging to one of the Machine and Tractor Stations, or in government-owned agricultural industries.

Mechanization

In the old days, no one except barons, "pomenshicks" or "kulacks" could have owned tractors and combines and these elements were so backward that they had aversions to new ideas and new machines. Now, the emphasis is decidedly scientific, and the Soviet people benefit not only from the saving of labor which results from mechanization, but also from the better job that machine farming accomplishes. More moisture is saved because the plowing is earlier and deeper and the harrowing earlier in the spring. More grain is saved because the harvest is completed earlier and in one operation. A better stand is had because the seeders are more efficient and accurate, and so forth.

The machine and tractor stations which supply and manage the machines also furnish trained and experienced specialists who, together with specialists from the county agricultural agent's office, consult and advise the heads of the collective farms on agricultural matters. Better crop rotations are planned, better seeds introduced and kept pure, and the general system of work is planned so as to gain the greatest possible production from the use of machines and human labor.

At the same time, the cost of operating the machines is very low, averaging from two and one-half to four and one-half hundred kilos of grain per hectare (two and one-half acres) per year. The increase in yield alone is often more than enough to cover this expense, and from year to year machines and technique are becoming progressively better, bringing further increase in yields and saving in human labor.

This latter does not mean that collective farmers in the Soviet Union will suffer from unemployment, because the crop is divided up according to the comparative number of work days. Moreover, there are many ways of utilizing the labor released from field work —more garden and orchard crops and other enterprises requiring hand labor are produced to increase the standard of living, and excess population is being used in the cities or to open up rich new agricultural regions in the Alties and in Siberia.

Division of Labor

Division of labor on the collective farms, while partly due to mechanization, also springs from the nature of the collective farm system. Every collective farm, for example, needs a collective livestock group to make use of the waste lands and roughages that would otherwise be wasted and to help supply the cities with livestock products. Each person, from the veterinary doctor and animal-husbandry expert down to the milk maid, is a specialist in his or her line. The same is true for the horticulture group, field groups, those who work in the granary, the apiary, on construction, in the office and in the children's nursery and kindergarten. Each person is responsible for the quantity and quality of his work and is paid in "work days" on that basis and according to the nature and difficulty of his work.

In the large field groups, while there is only one group leader and one field accountant for a group of perhaps a hundred or more families, the workers are divided still further into smaller specialized groups called "links" of from five to 10 individuals, one of whom is the link leader. Each day the work of each link is measured by the group accountant, who also writes down the amount of work accomplished by each link worker as reported by the link leader in the presence of the other link members.

High Efficiency

Only the large groups such as field, horticulture and livestock have their own special field accountants. Thus a collective farm of perhaps 400 families and six large groups (or "brigades") will usually have not more than 10 non-producing field workers including accountants and group leaders and five office workers. For a single farmer to have a thorough knowledge of all the lines of work enumerated above and to become sufficiently skilled in them is impossible, even if he could afford to own all the different kinds of aids and appliances needed to do such jobs. Therefore, division of labor, heretofore enjoyed only by industry in the cities, is made possible and is producing better yields and higher efficiency of human labor in the collective farm system.

Outside of the fact that each farmer receives his credit of work days and is paid according to his production,

Machine and Tractor Stations

(serving the bulk of collective farms at the end of the Second Five-Year Plan)

	1930	1933	1937
Numbers of MTS	158	2,916	5,617
Tractors (in thousands)	7.1	123.2	356.8
Capacity (in 1,000 hp)	86.8	1,758.1	6,511.6
Combines (in thousands)	—	10.4	96.3
Lorries (in thousands)	—	12.3	56.0
Crop acreage served in percentage of all collective farm acreage	27.4	58.7	91.5
Work performed by tractors of MTS in terms of normal plowing (in millions of hectares)	—	39.8	227.3
Area harvested by combines (in millions of hectares)	—	0.5	34.1

Maximum Number of Livestock Allowed per Family

	Sheep-goats	Cows	Draught cattle	Sows with young pigs	Horses	Poultry
In purely arable regions	10	1	2	2	—	no limit
In arable regions with sporadic cattle-breeding	20-25	2-3	4-6	2-3	—	„ „
In chiefly cattle breeding regions	30-40	4-5	8-10	2-3	1	„ „
In cattle breeding regions with inconsiderable agriculture	100-150	8-10	8-10	—	10	„ „

initiative is also encouraged in other ways. In addition to the piece work norms set for each kind of work under different conditions by the general meeting of each collective, there is also a set of progressive norms for work in excess of the standard. For instance, when two norms are fulfilled in one day, the farmer is given credit for three norms instead of two. Also, special seasonal premiums are given to farmers who have shown unusual accomplishment during a season.

Usually public sentiment within the link itself is sufficient to create discipline and to prevent a poor quality of work. If an offender is called up before a link meeting the disgrace is such that it generally needs no repeating. The link is usually considered better able to judge one of its members than either a group or general meeting of the collective, since it knows his circumstances, health, etc. However, should link efforts fail to help an offender, his case may be brought up before the group and later the general meeting, and it is possible, although such cases are rare, to send him packing.

Premium System

Initiative in obtaining high yields for the collective is strong for the same reasons that motivate an individual farmer anywhere, and in addition many collectives have systems of premiums for links which produce outstanding yields. Moreover, for the collective farmer, unlike the individual farmer, a high yield or large number of work days brings not only individual prosperity but also honor. In administration there is also no lack of incentive: a link leader may become a group leader, a group leader may in time become the chairman of a collective, and later a county official, and on up the ladder.

While in most countries any number of things—a bad harvest, an individual accident, changes in his country's tariff policy, etc.—may affect the security of the farmer's existence and may even lead to the loss of his farm, the collective farmer in the USSR is not liable to the same extent. His income may vary with the result of the harvest, but his home and work are never threatened. The land is collective property. His house, yard, garden (often as much as two and one-half acres), cattle, sheep, hogs, poultry and bees are his private property. The legal amount of private land and cattle varies with the region, depending on its adaptability to livestock or to crops. The purpose of this restriction is to prevent the possibility of a differentiation of the peasantry. In order to prevent recurrence of the exploitation of others' labor, the private livestock and land holdings may not be more than the individual family can take care of by itself. And in order to guard against the income from domestic farming becoming the principal source of the peasants, in which case the collective enterprises might suffer, the private holdings may not be considerably larger than what is needed to supply the family

As a result of this policy, together with the collectives' policy of seeing that each farm has its own domestic animals and if necessary supplying deficits or losses at a very low cost from the collective farm herds in order to give the individual a start in breeding, a very strong basis has been laid for the security and prosperity of all collective farmers.

When the crops of the collective farms are harvested, advances of grain and other products are made to the collective farmers, but final distribution is not made until the end of the fiscal year (January 1), when the year's total number of work days, the taxes, and machine and tractor station fees are known, together with the exact yield of each crop. After products for the payment of taxes and fees have been set aside, the remainder of each product is divided by the total work days for the entire collective for the year and distributed accordingly.

The State insures the farmer's house against fire, his cattle against epidemics and provides free education for his children.

Another advantage that collectivization has brought is the advance of culture in rural areas. It does not take a student of rural sociology to know that most culture emanates from the city because of the city's great advantages in human cooperation, industrialization, division of labor, good schools, socialization, etc. Collectivization has brought most of these advantages to the country in Russia and the resultant upward swing in the culture of the Russian farmer is one of the greatest gains that has been made.

The whole trend of public sentiment in the Russian village is now towards culture, and the expression is dymamic and active, constantly creating new organizations for group training, reading, lecturing, drama, music, art, clean-up campaigns, landscape gardening, re-planning of collective farm buildings, rural electrification, livestock production, etc. Schools have been established by the Ministry of Education in each collective farm, and it is no longer possible to find the so-called typical "Russkie mushik," i.e., long bearded, dirty, ungrammatical and often drunken farmer.

Inspection Teams

The national cultures of each of the more than 200 nationalities living in the USSR are being developed and interchanged. For instance, a collective farm in the Ukraine takes up socialist competition on cultural and productive lines with a collective farm of Georgians living south of the Caucasian mountains, and their inspection teams travel back and forth two or more times a year for an on-the-spot inspection and criticism of both good and bad points. As an agronomist, I sometimes accompanied such inspection teams and was always agreeably impressed with the manner in which team members inspected the construction of some new club house or other improvement and how scientifically the weak points in the competitors' production of crops or livestock were criticized and gone over in general meetings of the collective farmers called to hear the "findings" of the joint report of both teams.

By 1937 there were, instead of the 25,000,000 individual peasant families living and working by themselves, 243,000 collective labor co-

Livestock Privately Owned by Collective Farmers

(In percentages of the total)

	Cows	Pigs	Sheep and goats
1932	43.5	28.3	32.8
1934	54.5	40.6	41.5
1940	60	66	40

operatives of peasants. Some 1,400,000 individual farms have remained, mostly in mountainous terrain where the small plots do not lend themselves to mechanization or are widely separated.

The peasants are no longer subjected to usurers, landlords, pomeshicks and kulaks who rented out tools, horses, seeds and grain in exchange for work, money, or double the amount of seeds and grain to be paid after the harvest, and who hired those peasants who had gone bankrupt at niggardly wages. The farmer now has an equal chance to succeed and an equality of rights before the law with anyone. Since all rules are made and all officials elected and appointed by vote of a quorum of collective farmers at the general meeting, the power of the collective farmer to protect his local rights is exceedingly strong, just as is his power to protect his regional and general rights through the election of representatives to the High Soviet. Through collectivization, coupled with good natural resources for mechanization and a progressive and sympathetic government, the Soviet farmer is fast becoming one of the best off in the world.

Can China Benefit?

The question now arises what, if any, of these benefits of collectivization can be obtained from collectivization in China. While this is indeed a complicated question, I should answer it thus: In the North, Northwest and especially the Northeast (Manchuria), there are many favorable areas where practically all the benefits of collectivization can be obtained when China masters her own machine production and providing, of course, that the fuel or animal question can be solved satisfactorily without depending on imports. However, in most rice growing and hilly areas mechanized crop production would be out of the question even after the contemplated land reforms are carried out, and thus one big inducement to collectivization would be lacking.

Nevertheless, even though in such areas individual land holdings as set up under the forthcoming land reform are retained, there are still many of the other advantages of collectivization and cooperation which can be brought to the village. Cooperative buying and marketing can be set up with collectively owned warehouses and small agricultural industries and enterprises such as oil mills, rice mills, flour mills, gins, fiber processing units, threshing machines, water pumps, canals, dams, water works, hydro-electric works (small), schools, etc. Considerable division of labor could thus be organized with no little amount of specialization. With the help of the new government, these and many other benefits could be realized.

Dep't of Self-Criticism

....In the next lesson we shall discuss some of the specific ways to improve senttnce construction.—*The Review's English Lesson*, June 4, 1949.

Suppose we start with spelling.

The Week's Business

IN two weeks time, the People's Government has done a great deal to restore business and industry.

Already, foreign ships are coming to Shanghai both from Hongkong and from foreign countries. Train service is running regularly between Shanghai and Nanking. Scores of small shipping companies and buses are transporting war refugees in Shanghai back to their native places in the small towns and villages in Kiangsu and Chekiang provinces.

The People's Liberation Army has repaired all the bridges along the Shanghai-Hangchow Highway, and within a period of two weeks the line has been opened to traffic.

As regards foreign shipping, a press report stated that foreign ships will be permitted to sail along the South China Coast and may be chartered for operation along the North China coast.

With the resumption of transportation, large quantities of coal, foodstuffs, raw cotton and other necessities are being sent here from the producing areas, including the Hweinan coal mining area, the Nantung cotton producing area, and elsewhere.

Many important regulations were promulgated during the second week of the liberation of Shanghai. The most important was undoubtedly the provisional regulations governing foreign exchange on June 3. According to these regulations, all foreign exchange must be deposited with the Bank of China. A foreign exchange market will be organized in the Bank of China with all the appointed banks as members to buy and sell foreign exchange every day for those importers who are qualified to buy foreign exchange. An opening rate will be quoted every day by the Bank of China, and transactions may be carried on around the rate according to the demand and supply of the foreign exchange on the day.

Another set of important regulations were those governing foreign trade in East China as promulgated on June 6. According to these regulations, both Chinese and foreign firms may continue to import and export goods specified in Schedule A and B of the Customs Tariff regulations of August, 1948. Goods listed in Schedule C will be prohibited from import and export. Meanwhile, it has been stated that goods under Schedule B may be imported only with special permit and by state-owned import firms.

The regulations stipulated also that goods under Schedule A may be imported with private foreign exchange. In this connection, one Washington report stated that up to US$300,000,000 worth of goods already ordered and paid for in America may start on its way to Shanghai in the near future.

As early as June 2, the Financial and Economic Take-Over Committee of the Shanghai Military Control Commission promulgated a set of regulations governing import goods paid for but not yet delivered and export goods also paid for but not yet exported. These regulations will not only facilitate importers and exporters to fulfill their contracts but will help maintain the good reputation of the importers and exporters abroad.

By this time of writing (June 8), the Foreign Exchange Market has not yet been established and no quotation for the US dollar has yet been fixed. As soon as this market starts functioning, it is expected that goods essential to China's industrialization will be imported freely and large quantities of China's native products will be sent out.

As no rate has yet been fixed for the US dollar, gold or the silver dollar in terms of Jen Min Piao, there has been considerable confusion in the local financial market. Silver dollar peddlers remained very active and it was reported that the rate had increased from PB$400 for one silver dollar on May 26 to PB$1,200 on June 7. Already, strong opposition against the activities of these silver peddlers has been voiced and the Shanghai Military Control Commission has promised to promulgate new measures to cope with the situation.

In this connection, it may be pointed out that in Wusih, the circulation of silver dollars has been banned by order of the Military Control Commission there.

As from June 6, many conferences have been held between the new authorities and the local industrial leaders. At these conferences, local industrialists have reported on the present status of production and the problems which they now face. In the discussions between these industrialists and the authorities, ways and means are being mapped out for the solution of these problems. One of the most important measure taken by the authorities in this respect is the extending of a US$40,000 loan to the Shanghai Power Company for the purchase of 1,500 tons of fuel oil from Hongkong. This will make it possible for the Shanghai Power Company to continue the generation of electricity without interruption for one month to come.

The following list gives the quotations of important commodities in Shanghai on June 1 and 8:

	June 1 PB$	June 8 PB$
Gold	375,000	1,025,000
US dollar	700	1,800
Silver dollar	650	1,650
20's yarn	—	300,000
12-lb. cotton cloth	6,230	10,560
Wing On Textile	0.45	1.50

NEWS OF THE WEEK

Shanghai Returning To Normal; Tsingtao Taken By People's Army

TEN days after its liberation, Shanghai under Communist control is fast returning to normal. Shipping between Shanghai and foreign ports as well as the various ports along the Yangtze has been resumed. Two ships left for Hankow during the week, calling at Nanking, Wuhu, Anking, and Kiukiang. Several foreign ships entered the Whangpoo river for the first time since the battle for Shanghai started in the middle of last month.

A new set of regulations governing foreign trade in Shanghai was promulgated by the new Government. It will take time to see how these regulations will work out in actual practice, but the initial reaction in business circles is overwhelmingly favorable. The consensus of opinion is that the regulations are realistic and practical.

What strikes the observer who is following developments in Shanghai closely is the extent to which the Communist authorities have succeeded in kindling popular enthusiasm and initiative. It is this enthusiasm and initiative that has helped the Government considerably in solving the many complex problems and bringing order out of chaos. Mass organizations of different descriptions have sprung up like mushrooms and have enthusiastically responded to the call of the new Government for strenuous efforts to build up a new order.

Judging from what they have done during the past ten days, most observers are agreed that the Communists, despite their revolutionary idealism, are realistic, businesslike and efficient. They have refused to make any definite commitments or promises concerning any issue which they do not understand thoroughly. They have evidenced ready willingness to listen to what the people have to say. During the past week, a series of informal forums has been held between the Government authorities concerned and various Shanghai circles for a free and frank exchange of views on the many problems confronting the city.

* * *

March on Canton

TSINGTAO, the last Nationalist bastion in Shantung, and Tsungming island at the mouth of the Yangtze River near Woosung fell into Communist hands during the past week. As a result, the two provinces of Kiangsu and Shantung were completely liberated. From a strategic point of view, the battle for the Yangtze has already come to an end with the fall of Shanghai and with the People's Liberation Army driving into Kiangsi and Fukien. Next on the list is the battle for South China, with Canton as the primary objective. With regard to the drive on Canton, the *Associated Press* reported June 4 from Nanking:

"Communist armies struck deep into the heart of South China in twin drives aimed at shattering the Nationalist southwest defense line and occupation of the government capital at Canton. Communist forces of General Liu Po-cheng's Second Field Army are marching south through Central Kiangsi toward Canton. Advance elements without prospects of meeting any real opposition are reported closing in on Chishui, 300 miles northeast of Canton. Liu's troops moving west of the Kan river are heading south along the natural approach to Canton. His columns are expected to strike at Kanhsien and then veer southwest to take Kukong on the Canton-Hankow railroad. Kukong is 115 miles north of Canton . . .

"Paralleling the Kan river drive, Red troops believed to be Manchurian columns of Lin Piao's Fourth Field Army are attacking down the Canton-Hankow railroad. Lin Piao's offensive is intended to knock out the most effective fighting force remaining to the Nationalists, about 150,000 troops under Pai Chung-hsi. The Communist offensive is now reported rolling on Pinchiang, 70 miles northeast of Changsha, provincial capital of Hunan. Pei has already pulled the bulk of his troops south of Changsha to form a new temporary line on Hengyang, 260 miles northwest of Canton."

* * *

Hopeless Case

ALTHOUGH the Kuomintang Government claims to still have a fighting force of about 1,000,000 men, theirs is a hopeless case. Commenting on the prospects for fighting in South China, *Reuter* said June 4:

"China's long and costly civil war

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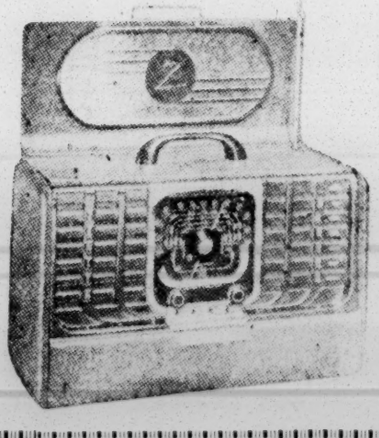

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is drifting rapidly to its close. The Communists are within reach of victory, although the Nationalists are reputed to have still a fighting force of over 1,000,000 men. Communist armies are continuing to roll on inexorably toward the west, down the eastern sea coast and into the heart of South China. Communist guerrillas are extending their activities. Against the Communist steamroller, the Nationalists continue to withdraw with little show of fight. Military and political observers in Canton and Hongkong are unanimous in believing that the crumbling Nationalist regime cannot be saved. Communist control of the entire country, they say, is dependent on merely how long it takes them to complete their victory. These observers go so far as to believe that the present military operations have reached the mopping-up stage during which no further serious Nationalist opposition can be expected."

* * *

Panicky Flight

IN Canton, confusion and chaos prevails., It is everybody for himself and the devil take the hindmost. Beginning from June 4, there has been a wholesale evacuation of Kuomintang government personnel, while top-level officials are ready to quit. According to the *United Press*, three high-ranking government leaders are being sent abroad. The Ministry of Foreign Affairs disclosed that Sun Fo had been granted a diplomatic passport while Wu Te-chen and Chen Li-fu had applied for similar passports.

It is understood that Sun Fo is planning to travel to France, Britain and the United States.

The Legislative Yuan has evacuated to Formosa. The headquarters of the Kuomintang revealed that the files of the party had already been shipped to Formosa but a skeleton staff of the party would follow the government wherever it moves.

Yen Hsi-shan, reactionary and feudalistic warlord of Shansi, replaced Ho Ying-chin as premier of the Kuomintang government in Canton. It is said that Ho Ying-chin threatened to commit suicide if his resignation was not accepted.

After conferring with Chiang Kai-shek in Formosa, Yen Hsi-shan returned to Canton. At a news conference, he talked about "taking steps to bolster the sagging financial condition of Nationalist China" and "forming a non-partisan war cabinet to continue resistance to the Communists."

* * *

Hongkong Uneasy

THE sweeping victories the Chinese Communists have scored in recent months and their rapid march deep into South China has caused considerable concern and worry among British circles about the fate of Hongkong. In order to cope with any possible emergency, a series of "precautionary measures" has been adopted. First of these measures is a three-month curfew enforced as from June 1 on the new territories bordering Kwangtung. The curfew

What Chinese Papers Say...

THE reason why military control committees have been established in the newly-liberated cities was discussed in the Chinese press. The importance of restoring and expanding production also was discussed.

* * *

Military Control

COMMENTING on the establishment of a military control committee in Shanghai, the *Chieh Fang Jih Pao*, official organ of the Chinese Communist Party, wrote:

"After the wiping out of the military force of the Kuomintang reactionaries, a period of military control must be exercised in the principal cities....

"During the period of military control, the Military Control Committee is the highest authority in the city. The Municipal Government is the principal constituent portion of the Military Control Committee. The two organs are closely knitted together.

"The first task of the Military Control Committee and the Municipal Government is the thorough wiping out of all remnant reactionary influences—the disposal of Kuomintang stragglers and irregulars, the suppression of all reactionary elements engaged in armed resistance, the obliteration of all factors which undermine the security of the city, and the restoration and building of a new revolutionary social order. At the same time, all public property and supplies are to be taken over, all bureaucratic capital confiscated and placed under military control, and all production activities speedily restored and developed in accordance with the needs of the people."

* * *

Step Up Production

THE *Shang Pao*, generally regarded as reflecting the views of local Chinese businessmen and industrialists, stressed the importance of expanding production, pointing out that to overthrow the reactionary Kuomintang government is only the first step of a long march. With the liberation of Shanghai, all efforts must be made for the development of production and for the promotion of economic prosperity, the paper said. It continued:

"To do so, we must abide by the policy of attending to the interests of both the State and individuals and benefiting both capital and management, so as to build a new social order in which the people are the masters.

"However, among those of us engaged in industrial and commercial enterprises, there are still a small number of people whose inadequate understanding of New Democracy and of Socialism has led them to the fear that the 'production' which is being developed now will eventually be taken away on the principle of 'sharing the wealth.' Thus while they are fully satisfied that the Chinese People's Liberation Army is doing its utmost for the protection of industrial and commercial enterprises, they are still hesitating, vacillating, and entertaining anxieties about their future."

The paper tried to set at rest current fears among business circles regarding the long-term objectives of the Chinese Communists. It explained:

"From our understanding of the situation, the Communist Party, in its protection of private industry and trade, and its promotion and encouragement of their development, is not merely pursuing a temporary policy, nor following a provisional measure, and is much less putting on a deceptive act. Its present policy is rather a long-term, established, sincere, and determined one. We can readily see that private capital may be developed without hindrance in China, but as compared with national capital or national industry as a whole, it will prove to be only of negligible size, not worth being 'shared' at all. The state of socialism will have been reached without resorting to this step. The explanation is simple.

"For China is indeed too impoverished, and the People's Government will certainly devote its full attention in the future to the development of production enterprises. With the determined will of the Communist Party, it will not be very long before the State enterprises will be developed to gigantic proportions. The speed with which State industrial enterprises will be developed will absolutely be beyond the approach of private industrial enterprises."

The *Ta Kung Pao* also shared this view. It said, among other things:

". . . the whole of China will be liberated soon, so that Shanghai's industrial and commercial operators will henceforth have the opportunity of free development, and participation in the task of the development of production. As we here point out the state of paralysis of local industry and trade, it may be easily seen that prior to the resumption of their operations, industrial and trade circles will encounter difficulties in the matter of their working capital. However, with the restoration of communications between the urban and the rural areas, we believe that the problems of the scarcity of raw materials and the marketing of finished products will be partially solved at least, and industry and trade will soon be able to recover from their present state of paralysis.

"Industry and trade now face a future of unlimited development. They must realize thoroughly their future obligations, assist one another in the solution of their present difficulties."

What US Papers Say...

A SIGNIFICANT editorial devoted to American policy in the Far East appeared in the *Washington Post* during the past week. The editorial summarized what has been going on in the various parts of Asia and listed the steps it felt should be taken to deal with the "historic crisis" that faces the western world.

* * *

THE editorial first dealt with military policy, saying:

"The idea of a Pacific pact modeled on the Atlantic Pact has been rejected. Presumably the reason is the fluid state of China and, indeed, of Chinese Communism. But this should not rule out a military posture in Asia—based upon the establishment of international centers or zones of security, from the Japan Sea to the Bay of Bengal. Necessary zones are few in number. Where they should be is a matter for the strategists to settle after the principle has been accepted in common. They should be defense outposts, dedicated to anti-aggression. After the argument over Indonesia, it might be hard to win Indian consent to this, though Nehru has as much interest as any Westerner in resisting aggression and maintaining a skeleton order in Asia. Plainly the zones should include Formosa and, if it isn't too late, Britain's Hongkong.

"The status of Formosa in this framework requires immediate consideration. Japan's former island in the China Sea could be set aside as an international zone of security without further ado, and should be. For the Cairo Declaration on Japan is as null and void in fact as the Potsdam agreement on Germany. This Declaration, it will be remembered, put Japan on notice that in the peace treaty the map of the Far East would be put back to 1895—thus restoring Formosa to China and Manchurian rail and port concessions to Russia. But Russia already has reduced the Declaration to a scrap of worthless paper. She has looted Manchuria to the tune of three billions of Japanese and Chinese assets; she has slammed the door in the face of the nations against free entry at the 'free' port of Dairen; she has virtually seized Manchuria. . .

"The Cairo Declaration, then, is a frustrated contract, as the lawyers say. An explanation that the powers are acting on this assumption, and intend to hold Formosa in trust pending a peace treaty with Japan, would be due the Chinese people, and it should be given in full with all the propaganda devices at American disposal. If this is not done soon the Nationalist rabble, who are now washing up on Formosa, are bound to keep the island in a ferment, squeeze the islanders out of whatever they have got left, and endanger the security of the occupation of Japan and the strategy of the Far East, even if the Chinese Communists don't come after them. The worry should not be how to cling to Chiang Kai-shek's bandwagon, but how to get off it. Specifically the powers should treat the Generalissimo, if he retires to Formosa, as an exile in trustee territory."

Concerning America's commercial policy for the Far East, the editorial had this to say:

"Announcement should be made that the outline of a Marshall Plan for Asia is being studied—that is to say, a real Marshall Plan not the Operation Rathole which has gone by that phrase in China. This plan should be developed only for the purpose of clearing out old trade channels and creating new channels. A place must be found for Japanese trade, and the energy now devoted to making Americans out of the Japanese should be devoted to the task of commercial rehabilitation as one of the tasks in speeding the way to Japanese independence. At present Japan has no place to go, for America is forever out of the market for Japanese silk on the scale that used to sustain prewar Japan. Premier Chang Chun, now in Szechuen province, said some sensible things about a restoration of Sino-Japanese trade before the debacle in Nanking. No ideology will be able to conquer the trade instincts of the Chinese, Communists included; and, if inter-Allied procrastination still rules out a firm declaration against aggression in Hongkong, this might yet save that great British entrepot for China trade."

Finally, with regard to political policy, the editorial declared:

"A new effort to reestablish cooperation between the Atlantic Powers and the Commonwealth Powers must be and, judging from reports in England, is being made. Policy in concert focused on the Open Door of non-discrimination has always been the rule in policy in the Far East. The United States ignored this in 1927 and pursued a unilateral policy toward the then revolutionaries under Chiang Kai-shek. It was America in those days that had kept out of the preceding mess, so that when the dust had settled its stock was highest of all countries. This time the situation is reversed. This time the danger of unilateralism comes from other Westerners. Some of them feel, judging from Mr. Stewart Alsop's dispatches from Hongkong and from the American-owned *Shanghai Evening Post*, that in view of Chinese reaction to America's chute-like interventionism in behalf of Chiang Kai-shek, they are in a position to steal an advantage at a discomfited America's expense. Toward a cocky Communist China which has not yet faced the facts of international life there must be, in the individual and the common defense, a solidarity in the diplomatic approach and in all relations pending the day of a common recognition."

affects both land and sea movements during the hours between 10 p.m. and 6 a.m. The second is the registration of all villagers in the border areas. Identification cards which are widely used in the Kuomintang's pao chia system in China are being issued to villagers as proof of good citizenship. The Hongkong government has also ordered the compulsory registration of all Chinese political parties and groups in Hongkong. These tactics have aroused a violent wave of protest on the part of the various Chinese parties and groups, which in a joint public statement warned the British against the serious consequences that might follow.

Meanwhile, feverish war preparations are being made in Hongkong for the purpose of strengthening the "defense" of the colony. The *Associated Press* disclosed:

"But British determination to defend the colony is more evident in the slit trenches, barbed wire barricades and pillboxes being constructed by a contingent of the Royal Engineers. People in this area are said to be fascinated by the heavy daily movement of all types of military vehicles carrying troops and army equipment. Many sensitive residents of the area, smelling the approach of warfare, are reported to be planning to move to safer places away from the border. . .

"This military preparednessness was supported by a new financial decree which said all government departments not connected with defense should reduce their budgets to the greatest possible extent to save money for Hongkong defense organs. It was officially learned that government estimates for the volunteer forces for the next half year totalled around 20 percent of all government expenditures."

* * *

Police State

THE Communist radio in Peiping also attacked the British Government of Hongkong for pursuing an anti-Chinese policy which, it said, constituted a challenge to the Chinese people who are on the road to victory. It warned: "This challenge is very adventurous and will certainly lead to grave consequences." Then it continued:

"Among the 2,000,000 population in Hongkong, over 99 percent are Chinese . . . To prohibit them from having relations with their mother country is tantamount to depriving them of their rights of freedom of assembly, association and residence . . . Hongkong is a police state whose inhabitants will be constantly menaced by searches and arrests by the police . . ."

In conclusion, the broadcast said: "It must be clearly understood that this series of anti-people and anti-democratic policies of British imperialism will unavoidably arouse the indignation of the Chinese people in Hongkong, the Chinese people at home and abroad, unavoidably injure the friendship between the British and Chinese people and unavoidably hamper the establishment of normal relations.

TOLD AND RETOLD

ALMOST everyone in Shanghai these days is discussing incidents concerning various phases of the liberation and takeover. A few of them are printed below.

* * *

THIS story comes from the Palace Hotel, where several hundred Liberation Army troops are billeted. The commander of the troops first asked if they could be given rooms at half price. The manager agreed to this. Then the PLA officer explained that the soldiers were not used to such luxurious surroundings and asked if it would be too much trouble to move the furniture out of the rooms. Finally, the troop commander said perhaps some of the hotel's permanent guests, particularly the foreigners, might be upset to see a lot of soldiers coming in and out and asked whether arrangements could be made for them to use the back door. This was done, and persons working in the hotel say you would never know the soldiers were living there.

* * *

WHILE the takeover of various enterprises went so smoothly that it was barely noticeable to persons on the outside, one foreign official in a municipal organization had quite a shock when two of his subordinates politely notified him that they were taking charge of his bureau. These subordinates, a patrolman and a sergeant, he said, had been the most efficient, trustworthy and cooperative people on his staff. "To think that they had been undercover agents all along," he exclaimed.

* * *

THE destruction wreaked by the Nationalist soldiers along Hungjao Road has caused a good deal of discussion. One foreigner was indignantly describing the damage done to the houses of some of his friends in that area. His companions added further details, and one also mentioned the destruction of various Chinese villages in the region. "Well," said the first man, "there was some excuse for that. After all, most of those people were probably pro-Communist anyway. But to ruin Mr. Blank's home was inexcusable. Anyone would know where he stood."

Correction

We regret that the biography of General Chen Yi in the June 4 issue of *The China Weekly Review* contained several inaccuracies. The May fourth movement was in protest against the Twenty-one Demands of Japan, not nineteen, as stated in the article, and Chingkanshan is in South Kiangsi, not Hunan, province. The sentence dealing with Chen Yi's and Chou En-lai's activities in France may also have been ambiguous as phrased. The Chinese Communist Party was of course started in China, and the group of students who included Chen Yi and Chou En-lai organized a branch of it in France while they were there.—Editor.

In Chinese Magazines . . .

THE building up of a democratic united front is an important factor in the Chinese revolutionary movement, the *Outlook* magazine of June 1 points out. Tracing the history of this united front, the magazine says:

"Ever since the outbreak of the Sino-Japanese War in 1937, the achievement of a democratic united front has been a stupendous undertaking. All the down-trodden and oppressed groups and their representatives throughout the country have joined in an alliance with a common goal and prospects in view. This alliance was essential in the war of resistance. It has become all the more essential in the democratic revolution against Chiang Kai-shek. When the war of resistance was on, the contradictions between China and Japan were much greater than the contradictions between the ruling clique and the various revolutionary parties at home. Therefore, the primary concern of the democratic united front at the time was to resist Japanese imperialism....

"After the successful conclusion of the war of resistance, the long-pent-up internal contradictions flared up into the open. The democratic united front was therefore directed not only against imperialism, but also against bureaucracy and feudalism. This was necessitated by the historical development of the Chinese revolution....

"When Dr. Sun Yat-sen first started the revolution, he was confronted squarely with the struggle against imperialism, bureaucracy and feudalism. Thirty-eight years have passed since the founding of the Chinese Republic in 1911, and yet the above-stated problems still remain unsolved. On the contrary, they have become more complex and more serious. The self-styled disciples of Dr. Sun Yat-sen have betrayed the Chinese revolution. More than that, they have become targets for the revolution. . . "

As regards the component parts of the democratic united front in China, the magazine quotes Communist leader Mao Tze-tung as saying:

'The proletariat, peasantry, intelligentsia and other petty bourgeois in China constitute the principal forces that will determine the fate of the Chinese nation. Some of these classes are already awake while others are awaking. All of them are to form the basic elements of the State and political machinery of a democratic Chinese republic that is yet to be established. This democratic republic for China which we are going to build up will be a democratic republic based on the joint dictatorship of all the anti-imperialistic and anti-feudalistic people. In other words, it will be a new China on the basis of new democracy."

Mao Tze-tung's doctrine of new democracy, the magazine stresses, represents the accumulated practical experience of the revolutionary movements in China. Further, Mao has marked the way for China. He says in his "On New Democracy":

"China must not and cannot establish a capitalistic society under the dictatorship of the bourgeoisie. What is to be established is a new democratic society under the joint dictatorship of the revolutionary classes."

This joint dictatorship, the magazine explains, constitutes precisely the contents of the democratic united front.

The magazine discusses the tasks of the democratic united front and concludes:

"Mr. Mao Tze-tung in his book 'On New Democracy' divides the Chinese revolution into two stages. The first is one of new democracy and the second is one of socialism. Mao's directive has clearly defined the tasks of the democratic united front in China. In other words, only successful implementation of the new democracy under the joint dictatorship of the revolutionary classes can guarantee the ultimate victory of Socialism. On the other hand, only by keeping the Socialist prospects in view will it be possible for us to secure the final victory of new democracy...."

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Comment In US Magazines

Business Week

THE April 16th issue of *Business Week* reports that US machine makers are complaining that they are not getting their share of ECA orders. The article is significant in that it shows how the Economic Cooperation Administration is looked upon as a crutch for the American, rather than the European, economy, at least by some segments of American business.

Reporting on a survey made among machine-tool builders, textile-machinery manufacturers and other machinery and equipment companies, the magazine says:

"Are US machinery manufacturers getting their share of the Marshall Plan pie? No, says the National Machine Tool Builders Association. For evidence it brings up the stymied orders on the hands of US distributors in Europe. Machine-tool orders held up because they haven't qualified for ECA financing amounted to some US$175,000,000 on March 3....

"It isn't ECA's fault that the orders aren't coming through. The various Marshall Plan countries map their own buying programs, decide how many dollars will go for what items. So far ECA has financed some US$50,000,000 worth of machine-tool orders in the US. It estimates that another US$75,000,000 worth will be bought this year. But that isn't enough to prop up the industry.

"Of course, propping up US industries is not ECA's concern. Yet US shipping and milling interests have managed to wangle Congress into writing protective clauses into the ECA law. And the machine-tool men argue that their products are a greater contribution to economic recovery than shipping space or flour.

"The battle of special interests will give ECA boss Paul Hoffman a lot more grey hairs this year....

"The American Cotton Manufacturers Association, meeting in Florida this month, added its voice to the chorus of special pleaders. The association unanimously resolved that 'the apparent policy of providing modern equipment to low-wage foreign textile industries is a direct threat to the employment of thousands of American textile workers.'

"It's easy to guess how this will sound to textile-machinery manufacturers in Worcester. The Worcestor Chamber of Commerce told *Business Week* that foreign orders are 'gradually making the difference between profit and loss' for Worcestor's textile-machinery makers. Without them, the chamber felt, Worcestor's biggest industry would roll to a stop."

The article quoted some machine makers as saying that foreign competition was another obstacle in getting ECA orders, since in many cases machinery builders in Britain, France and Czechoslovakia can undersell American firms. It said:

"Rising European competition had some manufacturers worried, others just bitter. Those who are worried point to the fact that foreign buyers are beginning to turn to cheaper foreign markets whenever they can, even at the expense of some quality. Other manufacturers are mad at ECA for urging foreigners to buy anywhere but in the US if possible. (This is a cardinal principle of the Marshall Plan—to cut back dollar buying and stimulate intra-European trade)....

"A Worcestor machine-tool man sums up the feelings of many of his disillusioned colleagues: 'We were hopeful ECA would be of great benefit. But now we find they are urging France, for instance, to buy tools in England.'

"The essence of competition is salesmanship, and lack of it in Europe is one big reason for the failure of US manufacturers to get more Marshall Plan orders. Very little buying is done through purchasing commissions in the US. And so far only 20 percent of ECA's money has been spent on a government to government basis. The place to get orders is in Europe, where the majority of Marshall Plan business is transacted . . .

"Cleveland businessmen have been making regular pilgrimages to Europe to keep their products in with the people who are placing the orders. And Cleveland is one city where Marshall Plan business has made a small but significant dent in company operations.

"Take the case of Lempco International, division of Lempco Products, Inc., Bedford, Ohio, machine-tool builders. Right now 50 percent of Lempco International's business can be traced to ECA. With the domestic company on a three-day week, thanks to the business slump in the industry, this is a real help."

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